

ML Manager LLC –Rightpath II Loan (Loan #859806)

You are receiving this ballot because you are a member of one or more of the MP Funds or RLD II Loan LLC (Loan #859806) and are entitled to vote on the sale. The previous sales which you and the Court approved did not close and the sale agreements were terminated. You are being asked to vote on this new proposed sale.

The borrower, Rightpath Limited Development Group, LLC (Loan #859806) defaulted on its loan. The unpaid principal balance of the loan is about \$37,408,881 and interest and fees also are due. ML Manager foreclosed on the property securing the loan. Pursuant to the Official Investors' Committee's First Plan of Reorganization confirmed by the Bankruptcy Court, RLD II Loan LLC was formed on the effective date and the fractional interests in the note and deed of trust by the MP Funds, Radical Bunny LLC and certain Pass-Through Investors were transferred into RLD II Loan LLC. As a result, 72.978% of the interests in the real property are owned by RLD II Loan LLC and the rest is owned by 19 Pass-Through Investors who did not transfer.

ML Manager retained the services of a broker to widely market the Camelback Ranch Property for sale. After completing substantial marketing efforts, ML Manager in early 2013 obtained a homebuilder buyer Beazer Homes Holding Corp. for the price of \$3,835,000 and ML Manager and buyer finalized a contract. The investors approved the sale and the Court approved the sale. However, the buyer terminated the contract during the feasibility period due to various entitlement issues so the sale did not close. ML Manager through the broker then obtained an offer from Bela Flora Communities, LLC for the price of \$3,705,000. The investors and the Court approved the sale in 2015. The sale agreement was terminated and the sale did not close. ML Manager continued to market the Camelback Ranch Property. Land Advisors Organization brought a new buyer to ML Manager and ML Manager and the buyer finalized a contract on August 1, 2017, which is the subject of this ballot.

The real property and improvements to be sold consist of approximately 59 acres of real property and personal property located generally north of the northwest corner of 107th Avenue and Camelback Road in Phoenix, Arizona ("Camelback Ranch Property" or "Property"). ML Manager proposes to sell the Camelback Ranch Property to Mattamy Arizona, LLC (the "Purchaser") for \$6,957,175 subject to adjustments (the "Purchase Price"), as more specifically described in the Sale Agreement as amended from time to time ("Sale Agreement"). The Purchase Price is subject to adjustment as set forth in Section 3.1 of the Sale Agreement. The Purchase Price is calculated on the basis of the Property being planned for 190 single family residential lots. The size and number of lots is not final and subject to approval of the Final Plat for the Property. If the number of lots is more or less than 190 lots, then the price will be adjusted as set forth in the Sale Agreement, but in no event shall the Purchase Price be less than \$6,357,175.

Pursuant to the Sale Agreement, the Camelback Ranch Property is being sold "As-Is" "Where-Is" and "With All Faults". The Sale Agreement sets forth the contingencies and the terms. There is a 90-day Feasibility Period. The sale is subject to Rezoning and Preliminary and Final Plat Approval by the City of Phoenix. There are certain Rezoning milestones to be overcome so the Purchaser can rezone the Property and obtain Preliminary Plat Approval which continue to be a contingency for the Closing. The Rezoning and Plat Approval process is anticipated to last 12 months with the Purchaser at its own expense paying the costs and fees of the Rezoning and Preliminary and Final Plat Approval. The Initial Deposit of \$25,000 has been posted with Fidelity National Title Agency and an escrow has been set up. A First Additional Deposit of \$250,000 shall be deposited by Purchaser upon the expiration of the Feasibility Period and a Second Additional Deposit of \$100,000 shall be deposited by Purchaser after the Rezoning and Preliminary Plat Approval Date. The balance of the Purchaser Price will be paid in cash at Closing. ML Manager is comfortable that the Purchaser has the funds to be able to close the purchase. The Closing is now anticipated to be no later than October 30, 2018.

The sale is contingent on the approval of the investors of the MP Funds and RLD II Loan LLC by a majority in dollar amount of those voting. With this ballot you, as an investor, are being asked to vote. It is also contingent on the Exit Financier waiving its right to compete to buy the property and on Bankruptcy Court approval. The Exit Financier has already waived its right to compete. The motion has been filed with the Bankruptcy Court and the hearing is set for September 12, 2017 at 11:00 a.m.

Even though the sale price is not enough to pay the full principal and interest on the loan, ML Manager LLC believes the price reflects the current market price for the Property. If the investors do not agree to sell the Property, additional expenses including taxes, insurance, and other expenses will accrue and burden the Property. Unless the Property value increases significantly, the ongoing holding costs are not likely to be recoverable. The ML Manager Board, after considerable thought, unanimously recommends that the investors agree that the Camelback Ranch Property can be sold in accordance with the terms of the Sale Agreement or on better terms.

The following is a general outline of the distribution of funds. The gross sale price for the Camelback Ranch Property of \$6,957,175 will be reduced by the closing costs, unpaid real estate taxes and reimbursements to ML Manager for loan specific expenses in an amount estimated to be approximately \$700,000, leaving a balance of \$6,257,175. The RLD II Loan LLC owns a 72.978% fractional interest in the properties, which is approximately \$4,566,361 of the net proceeds. Those proceeds will be used to repay remaining expenses provided for in the Court approved Cost Allocation Model. ML Manager will seek to distribute the remaining net proceeds to the investors in accordance with the approved Plan of Reorganization and Confirmation Order in a way that fulfills their obligations to all of the investors. The discussions of the distributions and net proceeds are estimates and are not determinable at this time. We have included this information to alert you to the process.

You have until 5:00 p.m., Arizona time, September 5, 2017 to submit your vote. Once the results of the voting are tallied, we will inform you of the vote. We have not attached a link to the Sale Agreement with the ballot. If you would like to review the Sale Agreement, contact Cathy Reece via email at creece@fclaw.com and she will arrange to send a copy to you. Questions can be directed to Mark Winkleman at mwinkleman@mtgltd.com.

Regards,
Elliott Pollack, Chair

Do you agree to accept the sale of the Camelback Ranch Property as described on the preceding pages?

- Agreed
- Disagreed

By: _____
Signature

Date: _____

Please Print Name